P-Card Roundtable Meeting
June 11, 2008
1:30 – 3:00 p.m.
Minutes of Meeting

Attendees:

Dave Gregg, MODOT-SMS
Darla Vader, DHSS-Procurement
John Long, Mental Health-Admin
Rhonda Fogelbach, Public Safety-Director's Office
Crystal Smith, Public Safety-Highway Patrol
Brent Miller, Public Safety-Highway Patrol
Kemp Shoun, Public Safety-Highway Patrol
Chris Laughlin, Public Safety-Highway Patrol
Marilyn Trachsel, OA-Surplus Property
Lisa Bacon, OA-Accounting
Jodi Goodrick, OA-Accounting
Dee Pardue, MODOT-GS
Amy Bailey, MODOT-GS
Debbie Davis, DIFP-Credit Unions
Janet Smith, Conservation-Fiscal
Shelly Honse, Public Safety-SEMA
Carol Newgaard, Auditor's Office
Frankie Ryan, MODOT-GS
Rachel Anderson, OA-ITSD
Janice Wieberg, OA-ITSD
Shelly Drake, MO Lottery-Accounting
Michael Longanecker, OA-FMDC
Alan Clements, Agriculture
Stacey Jacobs, State Tax Commission
Denis Potter, Revenue-Administration
Kimberly Hays, Gaming Commission
Tammy Moore, Gaming Commission
Jackie Russler, OA-General Services
Lori Hughes, SOS-Fiscal
Sharon Fischer, SOS-Fiscal
Linda Hartman, DED-Financial Systems
Donna Moore, Public Safety-Fire Safety
Brian Dowden, OSCA
Carol Weller, DED-Tourism
Kim Sandbothe, DIFP-Finance
Karen Wood, Agriculture
Julie Miller, Veterans Commission
Teddie Velleri, Veterans Commission
Theresa McDonald, Social Services
Nancy Tennison, Treasurer's Office
Denise Massman, Natural Resources
Carrie Todd, Natural Resources
Rachel Dietzel, DESE

OA - Accounting representatives: Jennifer Hall, Vandee DeVore, Tom Sadowski, Stacy Neal, Dwayne Rasmussen

UMB Bank representatives: Tim Jackson, Christian Lenz

Introductions were made by Jennifer Hall

Past Due Balances – Tim Jackson, UMB Bank

An upward trend has been occurring over the last few months with the number of past due or delinquent accounts going up every month. Feedback from the agencies was requested to review internal processes, and discover ways to improve the timeliness of payments.

Frankie Ryan (MoDOT) stated they have a requirement on their tracker measures that all invoices must be processed within 30 days from the date of the invoice. For example, if the invoice is dated March 18th, you have 30 days from that date to get it processed. It seems to be working well with about a 98% or better rate. This was accomplished by management decree. It was a requirement from the top-down and is tied to the performance appraisal. Most of the staff will pull down electronic statements, which can speed up the process by 2-3 business days.

A question was asked by an attendee how many days the past due balances were occurring.

Tim Jackson stated there were increases in all levels. He said most of the past due accounts fall in the 30-60 day ranges and that while 30 days had not been as much of a concern in the past, the total dollar volume past due for May 2008 was nearly $1 million. With the new contract renewal, the rebate was increased to a higher rate and the bank needs to manage the funds a little more closely. It is unrealistic to expect that there will never be delinquencies but the goal is to reduce it and keep the number of accounts past due lower as well as the past due balances.

Lenny Lenger (DOC) asked if there was a strategy available to cut off cards when they are delinquent.

Tim and Christian responded that the strategy “FIRE” will reduce the credit line to $0.00 and not authorize any transactions. The coordinator can also temporarily suspend the card by lowering the limit to $1.00. Currently they leave this up to the discretion of the agency, but accounts are turned off at 60 days delinquent until payment is made.

Frankie Ryan (MoDOT) suggested agencies use the automated interface to speed up payment processing. This was also recommended by UMB and OA.

One participant indicated they had experienced some problems with mis-posting by UMB of their payments (to the wrong account), which had caused some past-dues. Tim Jackson stated they work to correct those quickly and that the bank considers mis-posting to be an error on their part. He reminded everyone to ensure the last six digits of the account number were included to help eliminate this.

Phase II Online Account Maintenance Tool – Tim Jackson, UMB Bank

This phase of the Online Account Maintenance Tool should be live in a few days. Tim walked the group through a series of screen shots, which highlighted the features of the program. He advised agencies that he will be issuing a procedure guide for these tools when the program goes live. Additional assistance will be provided if necessary.

Once logged in, the first screen will be a company summary which is similar to what is available now. This screen provides the available credit, current balance, delinquent dollar amount, and number of open/closed accounts.

1. Clicking on “Levels” shows the hierarchy of the accounts issued to that reporting level. This allows cards to be placed in a hierarchy to pull reports from Visa Information Source by division, district, etc.

2. Clicking on “Accounts” will list all accounts, cardholder name, last four digits of account number, account balance, status, and whether it is an individual account or rolled up into a control account. You can also search by cardholder name or account number.

3. Clicking on the “edit” icon of a specific cardholder will show the account status, summary of limits, and current balance in real time. This will also list the reporting level, which drives the reporting levels in VIS.

4. The “Recent” dropdown box shows account numbers viewed last to quickly recall the accounts without going back and searching.

5. “Demographics” allows changes of name, address, etc.

6. “Strategy” will provide the option of adding a temporary credit limit increase or changing a permanent credit limit, and will indicate the temporary strategy start and end dates. A temporary credit limit has to be released before the permanent limit can be updated.

7. “Statements” provides past statements and current statements including current transactions that have not posted yet.

8. Under “Authorizations”, the coordinator will be able to view transactions and their status of authorized or declined. By clicking on the transaction, the coordinator will be able to view reasons for the decline including over the limit, strategy/MCC, etc.

9. “Memos” allows notes to be added to the account to indicate changes (i.e. credit limit increases).

10. “Plastic Request” allows the coordinator to order new plastics on existing accounts and change the expiration date.

11. Under “Account Request”, the coordinator can set up new accounts. Use the special instruction box for noting types of cards (i.e. travel desk card, ghost account, etc.).

John Long (DMH) stated the Commercial Card Center shows recent payments to cards and asked if the new system would also show the payments and the amount past due per card. Tim advised payments posted to the last statement were viewable on the Statements section. Tim also indicated he would check to see if they can add fields for each card to show total past due and number of cycles past due.

Tim advised everyone that 60 days is the cutoff for disputing a charge. Charges formally in dispute with UMB are not calculated in the past due totals. These charges are temporarily credited off your account while the dispute is investigated. Therefore, there is no reason to hold payment while disputing items. You should pay the statement net of the disputed charges.

The new phase of the Online Account Maintenance tool allows you to reset your own password. However, the username will be locked out if not accessed in 30 days. The recommendation was made to log in once a month to avoid waiting for UMB to recreate the username.

Lenny Lenger (DOC) asked if there was a limit to the number of different strategies an agency can have. Tim responded that while there is not a specific limit, it is not recommended to have too many different strategies per agency.

Purchasing Card Policy & Procedure Manual – Jennifer Hall, OA-Accounting

The revised Purchasing Card Manual was released on May 30, 2008 and sent to all agency coordinators. Some agencies have sent in copies of their manual, which indicate more restrictive policies. It is acceptable for the agency policy to be more restrictive than the statewide policy. However, OA would like copies of policies which deviate from the statewide policy, even if more restrictive. In addition, requests for exceptions to the policy should be sent in writing to the attention of Jennifer Hall and Vandee DeVore.

A question was asked about who needed to sign the Addendum to the Interagency Agreement in the back of the manual. The purpose of this document is to ensure when the duties of Agency Coordinator change to a new individual, that individual is aware of their responsibilities and requirements in administering the program for their agency. In the event that you transfer the Agency Coordinator duties to another individual, the Addendum needs to be signed and submitted to OA, Division of Accounting. Upon receipt of the document, OA staff will complete the signing and maintain the original copy in our files. The agency will be sent a copy for their records.

A question was asked about which agencies use Paypal. Frankie Ryan (MoDOT) mentioned that they allow the use of Paypal, but it is very restricted and they really haven't had any problems with it.

A question was asked if the transaction logs were required or if they could just sign the statements. At this time, signed transaction logs are required. The certification statements at the bottom of the log indicate cardholder and supervisory awareness of their responsibilities. Exceptions must be submitted in writing to OA for approval. The use of a transaction log and the certification statements made to ensure accurate information and accountability is an industry best-practice and provides greater oversight of the program. The excel file of the log will be posted to the P-Card website soon.

A question was also asked if the transaction logs had to be signed during "no activity" months as indicated in the manual if agencies are using automated interface. Exceptions to the policy will be considered if submitted in writing. However, until an exception is granted all policies remain in effect, including requiring a transaction log with "no activity" and review of statements to ensure no charges occurred. A question was asked if a statement would be generated if there were no charged posted and no previous balance. UMB will not generate a statement on no balance, no activity accounts. However, coordinators have the ability to pull a report from Visa Information Source.

Vandee DeVore explained that while we are in the process of the statewide audit of the p-card program, we are trying to refine as many internal controls as we can. One of the issues that has evolved is the potential for a cardholder to make transactions while telling his/her supervisor he had no activity on his account, and then sending UMB a personal check to clear out the statement or running up a past due balance. This is a statewide liability card and there needs to be monitoring and oversight. Christian Lenz added that this helps safeguard against lost statements or statements not received causing a past due balance.

Travel Policy regarding P-Cards – Jennifer Hall, OA Accounting

The travel policy has been finalized and should be available in the next few days. The Purchasing Card is mentioned in the travel policy as the preferred method of payment. The travel policy discusses the two types of cards available, a State Purchasing Card and an Individual Business Travel Card. Both are issued by UMB Bank.

The Individual Business Travel Card is an individual liability card and subject to the cardholder's personal credit history. The individual Business Travel Card allows employees to charge business travel related expenses and seek reimbursement via expense report.

The travel policy indicates direct bill is an option when necessary, although it is a more expensive payment method. When booking lodging on the Purchasing Card, it is recommended in the travel policy to use hotels listed on the Travel Portal.

The travel policy also recommends the use of the Purchasing Card when booking vehicle rentals on the state contract. Visa provides a liability coverage insurance that will cover auto accident damages incurred against vehicles rented on the Purchasing Card rather than that expense falling back on the state. Tim Jackson and Christian Lenz also confirmed that the Visa Liability Coverage is also included on vehicles rented on the Individual Business Travel Card.

Rachel Anderson asked a question about section V, item E, "Travel Expenses Paid By Other Organizations". The language "only when necessary" in the second sentence was confusing. The intent of this statement was to ensure that reimbursements for travel paid by other organizations is made payable directly to the employee and not hitting the agency appropriations. The phrase "only when necessary" implies the agency should **only** be paying these expenses **when necessary** and receiving the reimbursement from the other organization. Vandee DeVore and Stacy Neal discussed examples.

Tom Sadowski clarified that the above paragraph means the travel should be neutral to both the employee and the state. We do not want to create a burden on an employee; however, we do not want to create an advantage to the employee either. It is important to ensure that if you do reimburse an employee for travel expenditures to be paid by another organization, that organization does not also reimburse the employee.

Tom reminded everyone that the overall message in the travel policy was to provide guidance, which is why the word "should" was used for the most part, rather than "must". The policy cannot address every issue. Any questions regarding clarification of the travel policy should be directed to Stacy Neal.

The official policy will be posted to the website after approved by the Governor. The CSR will also be effective July 1st. As soon as the policy and CSR are available, an email will be sent to notify the agencies.

Closing remarks – Jennifer Hall, OA-Accounting

The next scheduled meeting will be the Annual Purchasing Card Forum on September 16, 2008 in room 490/492 of the Truman Building. OA and UMB will jointly host the forum. We are working on the agenda and scheduling speakers. At this time, we are seeking suggestions for information you are interested in learning more about. Please feel free to email any comments or suggestions to jennifer.hall@oa.mo.gov.